

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

**JOINTLY ADMINISTERED UNDER
BKY 17-42726**

WYNIT Distribution, LLC,	BKY 17-42726
WD Navarre Distribution, LLC,	BKY 17-42728
WD Encore Software, LLC,	BKY 17-42729
WD Navarre Holdings, LLC,	BKY 17-32864
WD Navarre Digital Services, LLC,	BKY 17-32865
WYNIT Holdings, Inc.,	BKY 17-32866
WD Navarre Canada, ULC,	BKY 17-32867

Debtors.

NOTICE OF DEMAND FOR RECLAMATION BY SPHERO, INC.

Sphero, Inc. (“**Sphero**”), by and through its undersigned counsel, hereby files the following *Notice of Demand for Reclamation* (the “**Notice**”) and respectfully states as follows:

1. On or about September 8, 2017 (the “**Petition Date**”), Wynit Distribution, LLC and affiliated debtors (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§101, et seq. (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108. No trustee or examiner has been appointed in these cases.

2. Prior to the Petition Date, Sphero provided and shipped to the Debtors certain goods (the “**Goods**”), which goods were, upon information and belief, received by or on behalf of the Debtors within forty five (45) days of the Petition Date. The Goods were sold to the Debtors in the ordinary course of Sphero’s business. Furthermore, upon information and belief, the Debtors were insolvent when the Goods were sold and received.

3. Pursuant to section 546(c) of the Bankruptcy Code, a seller may make written demand for reclamation of goods not later than 45 days after the receipt by the debtor or, if the 45-day period expires after the commencement of the case, not later than 20 days after the date of commencement of the case. 11 U.S.C. §546(c)(1).

4. On September 25, 2017, Sphero sent a written demand to the Debtors via electronic mail and FedEx overnight delivery, return receipt requested, a true and correct copy of which is attached hereto as **Exhibit A** (the “**Reclamation Demand**”). The Reclamation Demand identified the Goods by invoice number and asserted Sphero’s rights to, among other things, reclamation of the Goods pursuant to 11 U.S.C. §546(c).

5. Sphero hereby makes demand to the Debtors for reclamation of the Goods pursuant to Uniform Commercial Code §2-207 and 11 U.S.C. §546(c).

6. This Notice constitutes a timely written demand for reclamation upon the Debtors. **WHEREFORE**, having satisfied the requirements of 11 U.S.C. §546(c), Sphero demands reclamation of its Goods and such other and further relief as this Court deems just and proper.

Dated: September 27, 2017

/e/ Steven R. Kinsella

Steven R. Kinsella (#0392289)

FREDRIKSON & BYRON, P.A.

200 South Sixth Street, Suite 4000

Minneapolis, MN 55402-1425

Telephone: 612.492.7000

skinsella@fredlaw.com

ATTORNEYS FOR SPHERO, INC.

62376656.2

EXHIBIT A

September 25, 2017

Wynit Distribution LLC
Attn: Peter A. Richichi, CEO
700 W 76th Street Suite 116
Eden Prairie, MN 55344

RE: Reclamation Demand by Sphero, Inc.

Dear Mr. Richichi,

Sphero, Inc. ("Sphero") hereby demands, pursuant to §2-702 of the Uniform Commercial Code and §546(c)(1) of the United States Bankruptcy Code, the return of all goods received by Wynit Distribution LLC ("Wynit") and any of its divisions, subsidiaries, or affiliates, from Sphero and any of its divisions and subsidiaries, during the applicable periods referred to in the above-cited statutes. This demand specifically includes, but is not limited to, the goods shipped pursuant to the purchase orders and corresponding invoices identified on Exhibit A hereto.

Please contact the undersigned for instructions in connection with the immediate return of the goods.

You are further notified that all goods subject to Sphero's right of reclamation must be protected and segregated by you and must not be used for any purpose whatsoever except those specifically authorized following notice to us, and a hearing, by the United States Bankruptcy Court or other applicable court.

This demand for reclamation is without prejudice to all other rights and remedies available to us, at law or in equity, including but not limited to, our right to an allowed administrative expense claim under §503(b)(9) of the United States Bankruptcy Code for all goods received by Wynit and any of its divisions, subsidiaries, or affiliates within twenty (20) days before the date of commencement of its bankruptcy case.

Sincerely,

SPHERO, INC.

Stacy Carter

Stacy Carter
General Counsel
Stacy@sphero.com
(720) 532.8045

Exhibit A
Sphero Goods Shipped to Wynit Within Forty-Five Days of Wynit's Bankruptcy Petition

Transaction Type	Date	Document Number	P.O. No.	Sales Order No.	Due Date	Age	Open Balance	Delivery Date	Days Delivered Prior to Wynit Filing
Invoice	8/22/17	16914	3231789		10/6/17	-25	\$35,579.28	8/31/17	8
Invoice	8/22/17	16917	3231785		10/6/17	-25	\$12,937.92	8/29/17	10
Invoice	8/22/17	16915	3231787		10/6/17	-25	\$24,797.68	8/28/17	11
Invoice	8/22/17	16919	3231784		10/6/17	-25	\$48,517.20	8/28/17	11
Invoice	8/17/17	16433	3231549	19964	10/1/17	-20	\$138,004.48	8/25/17	14
Invoice	8/22/17	16910	3231724		10/6/17	-25	\$898.48	8/25/17	14
Invoice	8/22/17	20327	3231548	19965	10/6/17	-25	\$77,627.52	8/25/17	14
Invoice	8/22/17	16881	3231648		10/6/17	-25	\$1,796.96	8/24/17	15
Invoice	8/22/17	16883	3231647		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16885	3231651		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16893	3231661		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16896	3231663		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16879	3231646		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16884	3231652		10/6/17	-25	\$1,796.96	8/24/17	15
Invoice	8/22/17	16895	3231695		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16904	3231705		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16906	3231715		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16908	3231717		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16903	3231708		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16953	323174		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	20333	3231719		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	20383	3231692	20097	10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	20387	3231675		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	20391	3231706		10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	20384	3231702		10/6/17	-25	\$1,796.96	8/24/17	15
Invoice	8/22/17	20382	3231616		10/6/17	-25	\$44,924.00	8/24/17	15
Invoice	8/22/17	20380	3231182	19660	10/6/17	-25	\$44,924.00	8/24/17	15
Invoice	8/22/17	20419	3230871	19446	10/6/17	-23	\$31,446.80	8/24/17	15
Invoice	8/22/17	16894	3231691	20096	10/6/17	-25	\$898.48	8/24/17	15
Invoice	8/22/17	16916	3231725		10/6/17	-23	\$898.48	8/24/17	15
Invoice	8/22/17	16878	3231614		10/6/17	-25	\$19,737.00	8/23/17	16
Invoice	8/22/17	16887	3231653		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16891	3231659		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16898	3231693		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16900	3231696		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16901	3231700		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16880	3231649		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16882	3231650		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16886	3231654		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16888	3231658		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16890	3231660		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16892	3231662		10/6/17	-25	\$898.48	8/23/17	16

Invoice	8/22/17	16897	3231697		10/6/17	-25	\$1,796.96	8/23/17	16
Invoice	8/22/17	16899	3231699		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16902	3231712		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16912	3231790		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16918	3231729		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16920	3231730		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16922	3231732		10/6/17	-25	\$3,593.92	8/23/17	16
Invoice	8/22/17	16905	3231703		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16907	3231716		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16909	3231720		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16913	3231788		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16921	3231731		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16951	3231701		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16952	3231707		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	16954	3231786		10/6/17	-25	\$1,796.96	8/23/17	16
Invoice	8/22/17	20328	3231733	20159	10/6/17	-25	\$20,665.04	8/23/17	16
Invoice	8/22/17	20329	3231734		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20330	3231728		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20332	3231718	20136	10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20381	3231644		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20385	3231655		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20389	3231694		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20386	3231704		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20388	3231656		10/6/17	-25	\$898.48	8/23/17	16
Invoice	8/22/17	20390	3231709		10/6/17	-25	\$1,796.96	8/23/17	16
Invoice	8/11/17	15083	3230881		9/25/17	-14	\$136,788.00	8/21/17	18
Invoice	8/17/17	16436	3231616		10/1/17	-20	\$6,977.28	8/21/17	18
Invoice	8/17/17	16435	3231546	19967	10/1/17	-20	\$113,206.80	8/18/17	21
Invoice	8/17/17	16434	3231547	19966	10/1/17	-20	\$75,471.20	8/17/17	22
Invoice	8/9/17	15035	3231148		9/23/17	-12	\$15,751.04	8/11/17	28
Invoice	8/10/17	15050	3230768		9/24/17	-13	\$23.91	8/11/17	28
Invoice	7/28/17	14962	3229966	17308	9/11/17	0	\$33,737.46	7/30/17	40
Invoice	7/28/17	14822	3230118	17877	9/11/17	0	\$224,620.00	7/28/17	42
Invoice	8/3/17	15034	3230118	17877	9/17/17	-6	\$202,158.00	7/28/17	42
Invoice	7/26/17	14810	3229966	17803	9/9/17	2	\$46,213.42	7/28/17	42
Invoice	7/21/17	14811	3228425		9/4/17	7	\$6,803.52	7/27/17	43
Invoice	6/7/17	13863	3228169		7/22/17	51	\$19,974.92	7/25/17	45
Invoice	7/20/17	14697	3228169		9/3/17	8	\$4,535.68	7/25/17	45
Invoice	7/24/17	14809	3230489		9/7/17	4	\$7,894.80	7/25/17	45
Total							\$1,451,718.15		